Exhibit A

1   the listings on here. Let's start -- you're

2   currently the managing director at Airlines Strategy

3   Group, correct?

4   A.   Yes, I am one of the managing directors,

5   yes.

6   Q.   What are your responsibilities in that

7   role?

8   A.   A lot of what I do is consulting on

9   projects. It's also managing working with the

10   company, in terms of hiring, in terms of projected

11   revenues. It's a small company with fewer than 20

12   employees, but in general, it's -- I would say most

13   of my work is direct consulting work.

14   Q.   When you say consulting projects, what

15   types of things do you mean?

16   A.   We work with a number of airlines on

17   various scheduling, revenue, fleet planning, strategy

18   issues. Those are the primary responsibilities that

19   I have on a consulting basis.

20   Q.   Putting aside your report that you

21   prepared for this matter, have you had any consulting

22   project that you've worked on for JetBlue or Spirit?

1   A.   I have not done consulting work with

2   JetBlue or Spirit.

3   Q.   Have you done other work with JetBlue or

4   Spirit, other than that report?

5   A.   JetBlue was a customer of the APG Net

6   model. It's a forecasting model. And in my role at

7   APG, or Seabury Airline Planning Group, I did

8   training and some support for JetBlue. So if they

9   had a question about how to do something, you know, I

10   would answer that. And on two different occasions, I

11   did go to New York to do basically training on how to

12   run the model.

13   Q.   Okay. That's a good transition to

14   Seabury. So what were your responsibilities at

15   Seabury?

16   A.   Seabury Airline Planning Group primarily

17   was consulting with airlines. It was supporting the

18   software tools as well. Did consulting work with

19   some manufacturers, but in general, it was very

20   largely consulting, and some portion software

21   development, software support. So varied roles.

22   Q.   When you talk about software, you're

1 seat utilization.

2   Q.   So also in her report, Dr. Chipty states,

3 Spirit may generate many more flown seats than

4 JetBlue by running many short haul flights with more

5 idle time. Do you agree with that statement?

6   MR. MITCHELL: Objection to the form.

7   THE WITNESS: No, I don't see any context.

8 I haven't assessed how much idle time they have.

9 Idle time is very specific. If you're at an

10 airport -- for example, if you have an hour of idle

11 time, you can't add a flight, you can't go anywhere

12 and come back. So I think there's no context for

13 whether Spirit has time that could be converted into

14 service or not. So I don't have a view that

15 that's -- that that would happen.

16 BY MR. DeRITA:

17   Q.   So you haven't assessed any combined

18 network plans that would say whether Spirit would be

19 able to fly more or less flights post merger, one way

20 or the other?

21   MR. MITCHELL: Objection to the form.

22   THE WITNESS: Well, again, if we go back

1   to the days and the seasons where Spirit has reduced

2   and doesn't fly, for example, a lot of

3   Tuesday-Wednesday service, that is time that can

4   potentially be converted to additional flights,

5   whether flying a three-and-a-half hour flight instead

6   of a four-and-a-half hour flight allows more flights

7   is very context dependent. And I don't have a view

8   of whether that would occur.

9   BY MR. DeRITA:

10   Q.   We had already talked about this earlier

11 today, but Exhibit 18 of your report, that assesses

12 utilization changes and converts them into a measure

13 of seat departures; is that right?

14   MR. MITCHELL: Objection to the form.

15   THE WITNESS: The utilization measure in

16 figure 18 is seat departure.

17 BY MR. DeRITA:

18   Q.   But you also use line utilization at other

19 points in your report, correct?

20   MR. MITCHELL: Objection to the form.

21   THE WITNESS: Yes, the report has used

22 line utilization as well as utilization defined by

1   to incentivize an airline to fly, if things exist as

2   they are today?

3   MR. MITCHELL: Objection to the form.

4   THE WITNESS: Well, the merger -- the

5   airlines typically do have different target customer

6   bases. And to the extent that JetBlue has more of a

7   focus on competing with a Delta or with an American

8   for a business passenger, then that can affect

9   whether you would want to add those flights.

10 BY MR. DeRITA:

11   Q.   Have you evaluated whether JetBlue's

12 combined network plan for the merger, should it

13 happen, would include these additional scheduled

14 flights that you give examples of?

15   MR. MITCHELL: Objection to the form.

16   THE WITNESS: The combined network plan

17 that I was provided had every flight operating seven

18 days a week, and nothing was fleeted yet. So it was

19 more indicative of frequency and market, but it was

20 not reflective of a detailed specific day of the week

21 or seasonal schedule.

22 BY MR. DeRITA:

 1   MR. MITCHELL: Objection to the form.

 2   THE WITNESS: No, I have not made any

 3   assumption that they would reallocate to different

 4   routes.

 5   BY MR. DeRITA:

 6   Q.   Does your analysis account for whether the

 7   Spirit fleet is actually capable of being utilized

 8   for more hours?

 9   MR. MITCHELL: Objection to the form.

10   THE WITNESS: I think it's inherent --

11   what you can operate -- if you can operate five days

12   a week, for example, or what you can operate in a

13   peak day, that reflects your capability and capacity

14   to operate.

15   So by doing this seasonal and day of week

16   reductions, I think it's essentially self-evident

17   that there is more capability to add on those days.

18   I don't address whether they can add flying in the

19   peak periods.

20   BY MR. DeRITA:

21   Q.   The question I'm really getting at is, I

22   mean, can the planes just actually be in the air more

TP One

1   it's a general term. I don't know how widespread the

2   usage is.

3   Q.   So going back to the first step that you

4   took that we were discussing, whether or not

5   schedules for July 2023 can be run with fewer planes

6   on a standalone basis, you did not allow flights to

7   be retimed using FAM to evaluate the standalone

8   schedules; is that right?

9   A.   The standalone schedules had already been

10   optimized. They were the base, so they were the

11   schedules that the airplanes themselves after working

12   for however many months chose. So because the

13   comparison was what could you do by pooling versus

14   the base, I did not feel it was appropriate to change

15   and update the base, but -- and so in that -- for

16   that reason, I left the base schedules as they were

17   in terms of departure times and -- yeah.

18   Q.   So just to be clear, I'm not talking about

19   why you might have not included rescheduling, just

20   simply, when you ran FAM on the standalone schedules,

21   you didn't put anything into the settings to allow

22   for if 20 to 60 minute retiming that you did for the

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1   flights to be retimed?

2   A.   I have not run the base schedules with

3   retiming. I did look at -- no, I have not.

4   Q.   And what was the reason you did not do

5   that?

6   A.   As I said, I think the base schedule,

7   which for comparison, is what the two individual

8   airlines decided was the most appropriate, after

9   everything that they looked at, how they wanted to

10   fly, when they wanted to fly.

11   So had they chosen to retime flights in

12   order to change the count -- and I don't know if

13   that's possible, but that would have been their

14   choice, whereas in the combined schedule, there was

15   no one -- there is nobody looking at a combined

16   schedule to see what could be done there.

17   (Scheff Exhibit No. 6 was identified

18   for the record.)

19   BY MR. DeRITA:

20   Q.   Okay. I'm going to hand you what is being

21   marked as Exhibit 6. Now, this doesn't have a Bates

22   number or anything, so just to describe it for the

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1   an Excel file in the backup to your report. The file

2   is B6_NK_FAMoutput_logs, and the tab, log_3_321.

3   A.   Yes.

4   Q.   And the rows included are rows 901 through

5   920, which have a bunch of different words with

6   letters next to them. So we're going to describe

7   what those are, but that's where this comes from.

8   So would this screenshot represent the

9   constraints used when running the FAM model.

10   MR. MITCHELL: Objection to the form.

11   THE WITNESS: Yes, these are outputs

12   showing a number of constraints of each of these

13   types that were used for this specific run.

14   BY MR. DeRITA:

15   Q.   Where there is a 0 appearing after

16   constraint, colon, that indicates that that

17   constraint was not considered by FAM, correct?

18   A.   That would indicate that there was not a

19   specific constraint for that topic, yes.

20   Q.   Looking through the constraints shown on

21   this screenshot, if we were using FAM to design a

22   schedule that would be implemented by an airline in

1   the ordinary course of business, which of these

2   constraints would you consider?

3   MR. MITCHELL: Objection to the form.

4   THE WITNESS: It would really depend on

5   the context of the schedule. Is it a future

6   schedule? Is it planning where you're making

7   changes? Is it next month's schedule? So all of

8   these constraints are used under certain conditions

9   and many of them are not used for a number of others.

10   So it's very context dependent.

11   BY MR. DeRITA:

12   Q.   In your experience using FAM, have you

13   used any of the constraints that appear in this

14   screenshot as 0 when planning a future schedule?

15   MR. MITCHELL: Objection to the form.

16   THE WITNESS: Yes, I have.

17   BY MR. DeRITA:

18   Q.   Which ones?

19   A.   Well, the same fleet, row 902, I've used,

20   same fleet aggregate, I have used. Future schedule

21   for plane on the ground, yes, I've used. Maintenance

22   constraints, that would generally depend on the

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1   timeframe, how far in advance. So it's used

2   sometimes.

3   Pilot hour constraints, similarly for a

4   shorter term schedule, where the pilot hours are

5   fixed, you know, I've used that. And the longer term

6   planning would normally not use it. The fleet size

7   is just a function of how many fleets are active.

8   Would rarely use noise constraints anymore.

9   Midday breakouts are automatically

10   generated. In this case, it's a 0 because all of the

11   airplanes in these runs are the same -- the same crew

12   flies them, so there's no opportunity to have a 737

13   arrive. And then the next day, you have a 320 leave.

14   So the frequency constraints are used in

15   future planning, if you want to add or delete

16   service. Some of these others are internally

17   generated by the model. Refleet, you know, that can

18   be used essentially to -- when you're refleeting, to

19   control the number of changes.

20   So all of them have been used at some

21   point, and many of them are not used for many runs.

22   Again, it's very context dependent.

```
 1        Q.     You mentioned earlier that you did some

 2   work on behalf of a third party in relation to a

 3   potential -- I believe it was an airline merger; is

 4   that right?

 5        A.     Yes, that's correct.

 6        Q.     Did you use FAM to do any analysis when

 7   undertaking that project?

 8        A.     I did.

 9        Q.     Did you use any of the constraints in this

10   screenshot that appear 0 when undertaking that

11   analysis?

12             MR. MITCHELL:  Objection to the form.

13             THE WITNESS:  I don't believe so.

14   BY MR. DeRITA:

15        Q.     Okay.  We can put that aside.

16             So going back to the 20 to 60 minute

17   retiming that you allowed for in FAM on the combined

18   fleet, did you evaluate whether that 20 to 60 minute

19   retiming would be consistent with JetBlue's combined

20   network plan for the post transaction world.

21             MR. MITCHELL:  Objection to the form.

22             THE WITNESS:  No, I was looking simply at
```

 1   scheduling team, and you see if there are

 2   situations -- for example, here the allowable

 3   increments were 20 minutes or 40 minutes or 60

 4   minutes, the model. It's a model limitation, but if

 5   something, for example, moved outside of a slot, it

 6   might be only a five-minute move to fix. But I

 7   did -- I did take a look, and I did see that there

 8   were some changes.

 9   Q.   Did you look at -- and some people call

10   them slots, some call them operating authorizations,

11   but did you look at the operating authorizations at

12   Newark to see whether or not the FAM model conflicted

13   with what was held by JetBlue and Spirit?

14   MR. MITCHELL: Objection to the form.

15   THE WITNESS: I did not look specifically

16   at Newark. I did very intentionally limit the

17   changes, so that the retimings were quite small for

18   the express purpose of making it much simpler and

19   easier to fix any violations that might occur.

20   BY MR. DeRITA:

21   Q.   Are you aware of the divestitures that

22   have been proposed and now agreed to with third-party

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1 airlines by JetBlue in this transaction?

2   A.   Yes, I'm aware.

3   Q.   When evaluating LaGuardia, did you factor

4 in the slots that are going to be divested to

5 Frontier in that analysis as to whether or not the

6 slots were in the combined airline's portfolio?

7   A.   No, I used the July 2023 schedule in its

8 entirety, with no divestiture for both the flights,

9 as well as slots.

10   Q.   And did you evaluate JFK -- sorry, not

11 JFK. Did you also evaluate -- no, forget it. You

12 didn't evaluate Newark. We don't need to go there.

13   To the extent that JetBlue or Spirit are

14 operating banks at any airport across the country,

15 does the FAM model evaluate whether the retiming that

16 could be allowed would move a flight outside of

17 banked hours.

18   A.   The FAM model does not. The follow-up

19 process from any FAM solution would be to take the

20 solution, and to evaluate what got better, what got

21 worse from a timing perspective. And then

22 iteratively improved and adjust the schedule. So the

1   FAM itself does not have that as a direct output.

2   Q.   Did you do this follow-up process that you

3   described on the FAM output?

4   A.   I did not. I don't have a -- did not have

5   a calibrated -- I did not attempt to forecast the

6   profits and the passengers and the load factors of

7   either airline. But I would anticipate, if JetBlue

8   after the merger is scheduling and building a

9   network, that that would certainly be part of their

10   process. It would require demand forecasts, it would

11   require lots of inputs. But I did not undertake that

12   exercise.

13   Q.   Does the FAM model consider whether

14   "remain overnight gates" are available to support

15   additional operations from popped aircraft?

16   MR. MITCHELL: Objection to the form.

17   THE WITNESS: The FAM model does not. And

18   I did not attempt to address where or what the

19   eventual use of the popped aircraft would be.

20   BY MR. DeRITA:

21   Q.   Does FAM consider whether other terminal

22   assets, such as ticket counters or baggage carousels,

1 are available to support additional operations?

2   A.   FAM is not intended to be forecasting what

3 you would do with these extra planes. That would be

4 part of JetBlue's planning process, but it is not --

5 it is not part of the FAM modeling.

6   Q.   Does FAM consider whether additional

7 ground crews, such as gate attendants or baggage

8 handlers, would be available to support additional

9 operations?

10   A.   Well, I mean, any schedule that an airline

11 proposes, they would take into account what their

12 ticket counter and staffing capabilities were. So as

13 I said, what would happen, and where these planes

14 would go was not part of this analysis. I have no --

15 I did not attempt to model JetBlue's capability at

16 different airports of what they might do with those

17 planes.

18   Q.   Does FAM take into account whether or not

19 moving a flight time might make it more or less

20 desirable for passengers?

21   A.   The FAM does not have a direct time of day

22 preference adjustment. Which is, again, part of the

1   transaction in the way that you suggest in your

2   report?

3   A.   I have not seen anything to indicate what

4   JetBlue may or may not do with respect to upgauges or

5   downgauges, no.

6   Q.   Okay.   If we go to -- actually, it's still

7   on page 27, additional redeye opportunities that can

8   increase utilization.   You weren't able to quantify

9   any changes in utilization that would be able to

10   result from increased redeye flying; is that right?

11   MR. MITCHELL: Objection to the form.

12   THE WITNESS: I did not quantify because

13   I -- yes.

14   BY MR. DeRITA:

15   Q.   Did you evaluate the combined network plan

16   to determine whether or not the additional redeye

17   flying opportunities you suggest might exist appear

18   in the combined network plan?

19   MR. MITCHELL: Objection to the form.

20   THE WITNESS: Yes, I did look at the

21   combined network plan in figure 16, for example, and

22   it shows a number of new redeye markets that don't

1   currently exist.

2   BY MR. DeRITA:

3   Q.   Did you do anything to evaluate whether

4   adding additional redeye flights would be profitable

5   for the combined JetBlue and Spirit?

6   A.   I did not do a forecast on the

7   profitability of these potential redeyes.

8   Q.   Did you do any analysis of customer demand

9   for redeye flights?

10   A.   Redeye flights often have high appeal for

11   certain passengers, but I did not -- for these

12   potential new flights, I didn't do a redeye specific

13   forecast, no.

14   Q.   Are you aware of any JetBlue or Spirit

15   documents that discuss whether there's any unmet

16   demand for redeye flights?

17   MR. MITCHELL: Objection to the form.

18   THE WITNESS: I'm not aware of any

19   documents of that nature.

20   BY MR. DeRITA:

21   Q.   Did you evaluate whether Spirit could

22   increase its redeye flying independently without a

1 with their own fleet, and what they and Spirit both

2 do today.

3 BY MR. DeRITA:

4   Q.   Can you explain to me how to rationalize

5 the finding in figure 18 of a negative 3.8 million

6 seat departures with your conclusion that output will

7 not be decreased?

8   MR. MITCHELL: Just for the record, you

9 misstated the number.

10   MR. DeRITA: Yeah, sorry. .38 million.

11   THE WITNESS: Yes. In paragraph 79, I

12 mentioned the categories of utilization increases.

13 And again, fleet optimization, I believe, is the main

14 driver, where within that category that the combined

15 airline would do substantially more changes. For

16 example, I did not allow any 320s to become 321 or

17 vice versa. So there was a pool of some limited -- I

18 think 69 321s. So there was no ability to change

19 capacity cost. There was another pool of separate

20 320s.

21   And in addition, there would be -- in the

22 combined network, there would be 220 300s, depending

1   on the timing of fleet changes, 319s. So there would

2   be a much larger pool. So there could be an ability

3   to potentially pop more airplanes, but also to

4   increase utilization with bigger blocks of time, for

5   example, during the day, where we talked earlier

6   about the plane on the ground.

7   So JetBlue could look at that, can they

8   take these multiple fleets, this bigger pool, and can

9   they create a block from 9:00 a.m. to 3:00 p.m. in

10 Boston.

11   So there are substantial changes that the

12 larger pool and the upgauging and downgauging allow

13 within fleet optimization, but without that data to

14 support and justify the specific changes, I did not

15 directly include that in this waterfall.

16 BY MR. DeRITA:

17   Q.   So is what you're saying, the numbers that

18 you include in fleet optimization could be larger?

19   A.   In an actual combined merged airline, when

20 they are able to upgauge, downgauge, and make the

21 seasonal adjustments and include additional fleet

22 types, I would expect the benefit to be significantly

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1   larger, in terms of added seats, yes.

2   Q.   If you expect that, then why didn't you

3   quantify that?

4   MR. MITCHELL: Objection to the form.

5   THE WITNESS: In order to quantify, for

6   example, the value of pooling, you would have to have

7   at the period that this -- these fleet allocations

8   were made -- so this is July. So we could maybe

9   assume somewhere in the March-April timeframe, that

10   you had an unconstrained demand forecast by day of

11   week for every flight, you would have to have it for

12   both JetBlue and Spirit.

13   You would need direct operating costs of

14   each fleet type. And so, in reality, because the

15   airlines are not combined, there's no one -- JetBlue

16   can't share their demands with Spirit, and vice

17   versa. So there is likely no data, since they're not

18   doing FAM runs even to do them independently.

19   My assumption is that independently they

20   have done the best they can with the data they have.

21   But the reason I didn't do that is without combining

22   the networks and developing those -- that analysis on

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 1   BY MR. DeRITA:

 2   Q.   So is it your expectation that the fleet

 3   optimization could be increased by .38 million seats?

 4   A.   I would expect after combining -- the

 5   airlines combining the fleets and allowing

 6   appropriate regauges, that the fleet optimization

 7   total would increase by significantly more than .38

 8   million.

 9   Q.   But how can you say that it's going to be

10   more or could be more than .38 million if you have

11   not quantified that?

12   MR. MITCHELL: Objection to the form.

13   THE WITNESS: I mean, I've done these

14   types of regauging analysis. It's also the larger

15   the pool of aircraft are, the more opportunities you

16   have to either pop airplanes or create that plane on

17   the ground. And there's certainly almost always

18   capability to improve seat production or profit

19   performance through upgauges and downgauges.

20   So I've never seen it where there wasn't,

21   so I'm very confident that it would happen. But

22   without that specific forecast and cost data I did

1   not quantify that piece of the fleet optimization.

2   BY MR. DeRITA:

3   Q.   When you said I've never seen it where

4   there wasn't, did you mean improving seat production

5   or profit performance through upgrades and

6   downgauges? What's the "it"?

7   A.   Typically, with respect to upgauges and

8   downgauges, once a forecast is developed, I have

9   never seen a schedule where there was not the

10 potential to improve performance generally by adding

11 seats where the demand is. So it's -- it's what I

12 would expect to happen and what has happened in each

13 case that I've worked over the past 30 years.

14   Q.   In those cases that you're referring to as

15 having worked on in the past 30 years, are any of

16 those involving the combination of two fleets -- of

17 two separate airlines?

18   A.   Other than the cases that I mentioned,

19 which were similar here, with no gauge changes, I

20 have not run an analysis of combining two separate

21 schedules. I would expect that that would certainly

22 increase the likelihood of improvement, because you

TP One